Understanding Your Contract

Federal Uniform Contract Format

06 Mar 2007

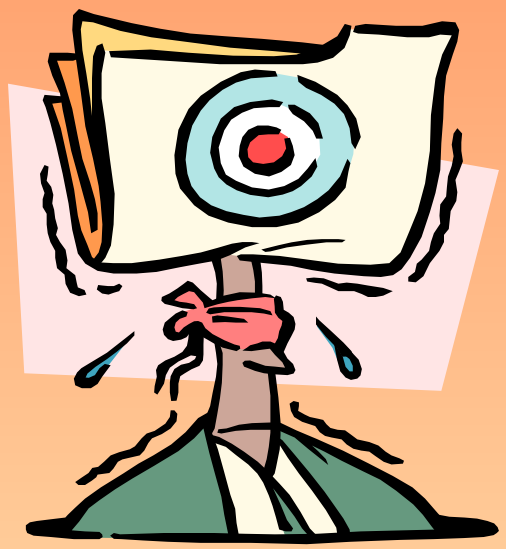
overview

[illegible]form Contract Format (UCF)

a couple rules of contract interpretation

exercise: reading an example

Your contract is the foundation for <u>everything</u> you will give and receive on your program



Need to Have a Copy!!

- The "Conformed Contract"
  - Incorporates all changes
  - Only accurate accounting o
    rights & responsibilities
- Electronic Document Access (EDA)
  - An online document access system designed to provide acquisition related information- - for use by all of DoD
  - http://eda.ogden.disa.mil/
  - Other sources: OPR, PM, QAE, CA, CO

Make Sure a Conformed Copy is Maintained !!!!!!!

That Contract Is Hard to Read!

- Federal Acquisition Regulations mandate use of the “Uniform Contract Format”

- Its confusing!!

- If you can’t decipher your contract, you probably can’t manage it effectively!

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THE UNIFORM CONTRACT FORMAT

Section	Title
Part I -- The Schedule	
A	Solicitation/contract form.
B	Supplies or services and prices/costs.
C	Description/specifications/statement of work.
D	Packaging and marking.
E	Inspection and acceptance.
F	Deliveries or performance.
G	Contract administration data.
H	Special contract requirements.
Part II -- Contract Clauses	
I	Contract clauses.
Part III -- List of Documents, Exhibits, and Other Attachments	
J	List of attachments.

Section A

- Solicitation / Contract Form
  - Contract/Modification #
  - Effective date
  - Price or Cost
  - Type contract
  - Security classification
  - Parties to the contract
  - Binding signatures
  - Administering contract o

This is the cover page

Section A, cont

Contract Number

Example:

DoD Activity Address Code (DoDAAC) (This one is 50 CONS, Schriever AFB)

Location's Sequential #

Modification Number "Poo #"

108 P0001

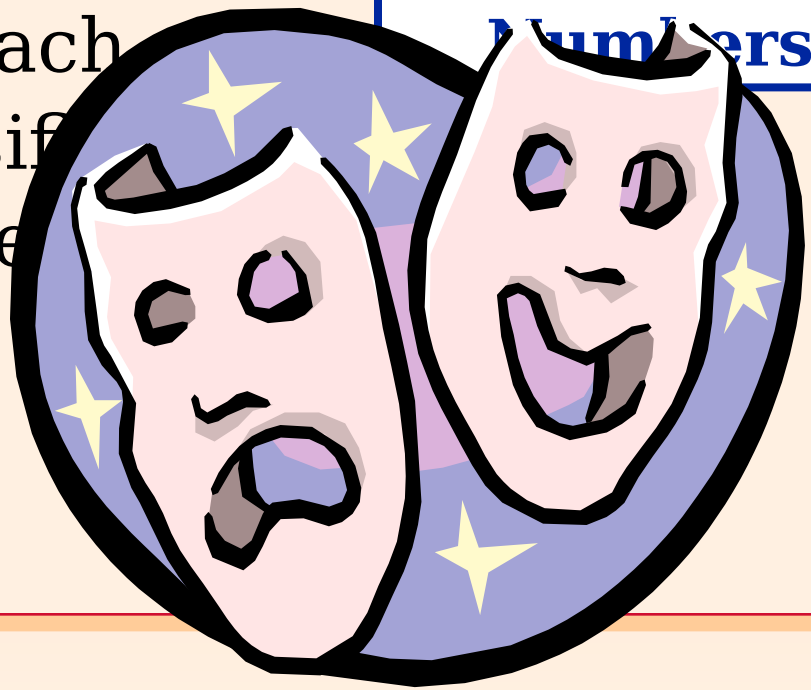
Year Issued (normally of RFP)

"C" = Contract
"D" = Indefinite Delivery
"G" = Basic Ordering Agreement
"R" = RFP

Section B

- Supplies or Services & Prices/Costs
  - Description of supplies/ser
  - Quantities
  - Price or cost of each
  - Accounting Classif
    Reference Numbe
    (ACRN) for each

Contains the "CLINs" Contract Line Item Numbers



Section B, cont

Contract Type Codes

- A—Fixed Price Redetermin
- J—Firm Fixed Price
- K—Fixed Price Economic Price Adjustment
- L—Fixed Price Incentive
- M—Fixed Price Award F
- R—Cost Plus Award Fee
- S—Cost
- T—Cost Sharing
- U—Cost Plus Fixed Fee
- V—Cost Plus Incentive Fee
- Y—Time & Materials
- Z—Labor Hours
- 9—Multiple Types
- 0—No Cost

Section B, cont

Other Mysterious Codes

- NSN—National Stock Nu
  - "N" means none
- site codes
  - "pqa" is point of quality assurance inspections
  - "acp" is site of accep
  - "fob" is party NOT responsible for shipp Costs (free on board

Site code entries

- "S"—Source: the contractor / his location
- "D"—Destination: the government / his receiving site

Section C

- Description/Specifications/ Work Statement
  - Initial Specs and all sp
    changes incorporated in the contr

What ECPs / SCNs are included?

(Engineering Change Proposal/Specification Change Notice

Sections D & E

- Section D—Packaging, Marking, Shipping

Delivery Information

- Section E—Inspection & Acceptance
  - Provisions for formal transfer of ownership

Section F

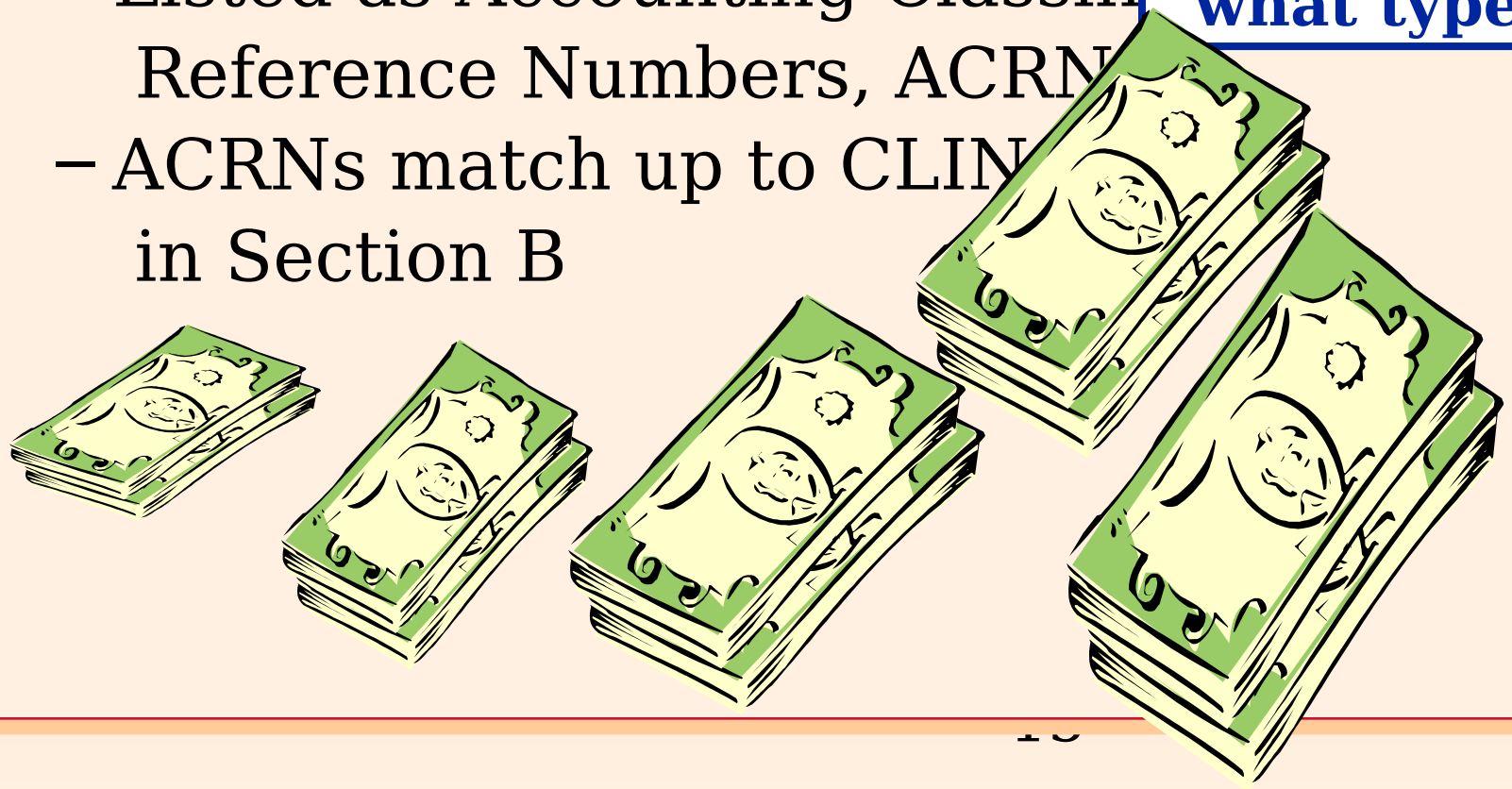
- Deliveries or Performa
  - Delivery Contracts
    - Indicate when items will be delivered
  - Performance Contracts
    - Indicate period of performanc
  - Level of Effort Contracts
    - Indicate level of effort over period of time
- Match to Section B CL

When will it be done?

Section G

- Contract Administration Data
  - Appropriation data
  - Listed as Accounting Classifi
    Reference Numbers, ACRN
  - ACRNs match up to CLIN
    in Section B

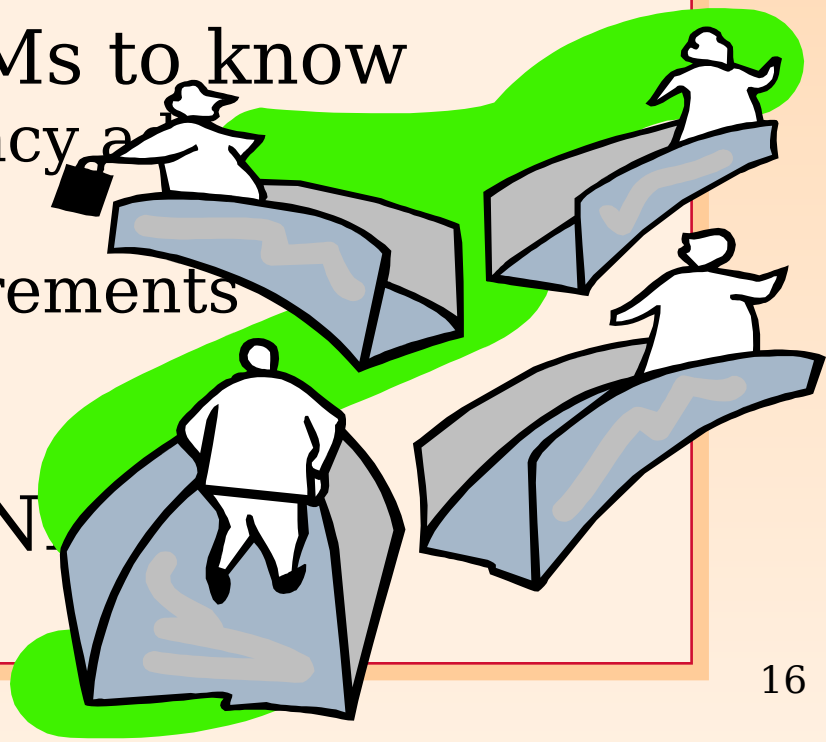
How much money of what type?



Section H

- Special Contract Requiren
  - Customized provisions/claus
    - Sometimes called “Local Clau
  - Very Important for PMs to know
    - Reopeners—contingency a
    - Options
    - Special funding requirements
    - Incentives
  - READ & UNDERSTAN
    SECTION H !!!!!!!!!

These often require the most management attention



Section I

- Contract Clauses
  - Required by Acquisition Regulations or law
  - Incorporated by refe
    - Listed by name & dat of clause
    - Full force & effect as in full text
  - Date is important when you look them u

Standard & customary for contract /

Section J

- List of Attachments
  - Indexed listing of attachme
  - Physically attached documents
    - Attachments
    - Exhibits

Specialized contractual requirements for your program

Section K, L, & M

- Section K: Certifications an
  Representations of offer
- Section L: Instructions to o
- Section M: Evaluation factor for award

Solicitation Sections Found in RFPs

- Program managers will have input to sections L and M.
- After award, these three sections are placed in the contract file; they are not part of the contract.

a couple rules of tract interpretat

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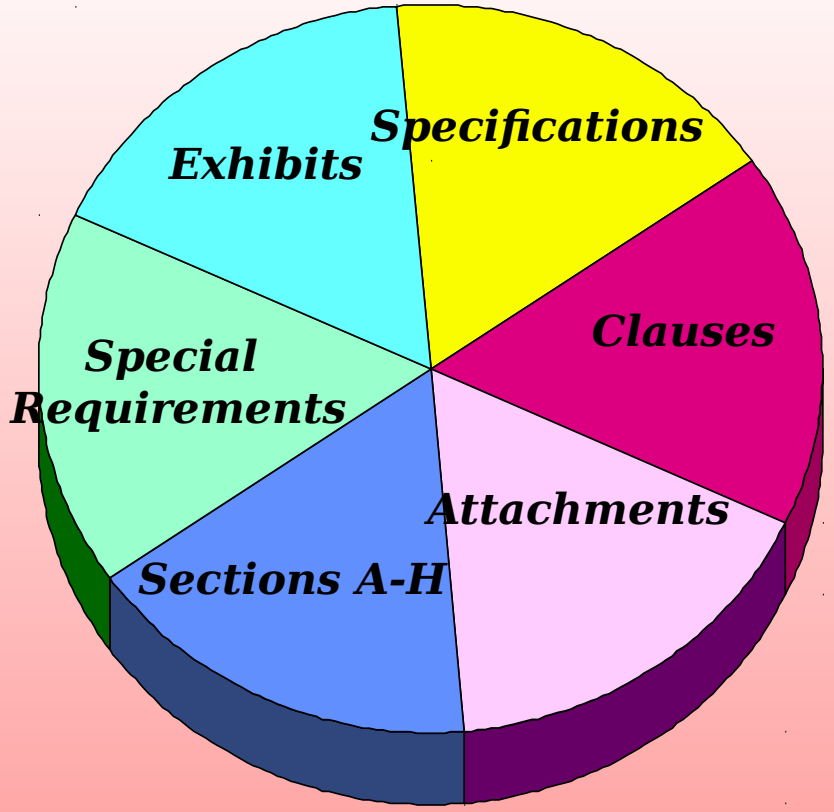
Order of Precedence

Generally Believed



All about equally important

Reality

Strict rule of interpretation

- **1st Schedule: Sections A-H**
- **2nd Representations/Instructions**
  Sections K-M
  - **3rd Clauses: Section I**
  - **4th Other documents,**

Ambiguities in contractual instruments are construed against the drafter (the govt.)

In DoD contracts, the government is considered the drafter

Be careful to be consistent, concise, & do not replicate requirements in different portions of the contract

reading an example

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SECTION A EXAMPLE

REF 67X

AWARD/CONTRACT

PAGE 1 OF

2. PROC INSTRUMENT ID NO. (PIIN): F33657-96-C-2059
3. EFFECTIVE DATE: 01 JUN 1996
4. REQUISITION/PURCHASE REQUEST/PROJECT NO.
5. CERTIFIED FOR NATIONAL DEFENSE UNDER BDC REG 2/DMS REG 1

6. ISSUED BY — CODE FA8614
USAF/AFMC
Aeronautical Systems Center (ASC)
2600 Paramount Place
Fairborn, OH 45324-6766

BUYER: Pamela J. Yri, ASC/YCKAA
(513) 255-6917

7. ADMINISTERED BY — CODE S05
DCMDW-RYTC
Douglas Aircraft Company
2401 East Wardlow Road, MC 54-79
Long Beach, CA 90807-4418

8. CONTRACTOR NAME AND ADDRESS — CODE 88277 — FACILITY CODE
McDonnell Douglas Corporation
Military Transport Aircraft
2410 East Wardlow Road, MC 76-332
Long Beach, CA 90807-4418

IF "8" FOR MULTIPLE FACILITIES SEE SECT "G"

MAILING DA
JUN 0 1 1996
DUPLICATE ORIGINAL

9. SUBMIT INVOICES (4 copies unless otherwise specified) TO ADDRESS SHOWN

10. DISCOUNT FOR PROMPT PAYMENT
1ST % DAYS
2ND % DAYS
3RD % DAYS

11. AUTHORIZED RATE A. PROGRESS PAY B. RECOUP % %
12. CONTRACT PERCENT FEE %

13. PAYMENT WILL BE MADE BY — CODE SC1002
DFAS-Columbus Center
ATTN: DFAS-CO-JWD/DPRO West
P.O. Box 182511
Columbus, OH 43218-2351

14. PURCHASE OFFICE POINT OF CONTACT: A5W/A5W/ARS
15. SVC/AGENCY USE

16. TYPE CONTRACTOR: C
17. SECURITY A. CLAS: S
B. DATE OF DD 254: 96APR15

18. CONTRACT ADMINISTRATION DATA — FAST PAY — B. CONTRACT (1) KIND (2) TYPE: 1 9 — C. ABSTRACT RECIP D. ADP POINT — E. SPL CONT PROVISIONS — CONT ADMIN FUNC LMT

19. (RESERVED)
20. DATE SIGNED
21. SURV CPIT: C
22. TOTAL AMOUNT: $14,209,367,57

23. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION
X PURSUANT TO 10 USC 2304(C) (1) : 41 USC 253(C) ( )

24. TABLE OF CONTENTS (The following sections marked "X" are contained in the contract.)

(X)	SEC	DESCRIPTION	PAGE(S)
		PART I - THE SCHEDULE	
X	A	SOLICITATION/CONTRACT FORM	
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	
X	C	DESCRIPTION/SPECS/WORK STATEMENT	
X	D	PACKAGING AND MARKING	
X	E	INSPECTION AND ACCEPTANCE	
X	F	DELIVERIES OR PERFORMANCE	
X	G	CONTRACT ADMINISTRATION DATA	
X	H	SPECIAL CONTRACT REQUIREMENTS	

(X)	SEC	DESCRIPTION
		PART II - CONTRACT CLAUSES
X	I	CONTRACT CLAUSES
		PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER
X	J	LIST OF ATTACHMENTS
		PART IV - REPRESENTATIONS AND INSTRUCTION
	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS
	L	INSTRS., CONDS., AND NOTICES TO OFFER
	M	EVALUATION FACTORS FOR AWARD

CONTRACTING OFFICER WILL COMPLETE BLOCK 25 OR 29, AS APPLICABLE

25. [X] CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 1 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified herein for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

29. [ ] AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

26. CONTRACTOR
BY _____ (SIGNATURE OF PERSON AUTHORIZED TO SIGN)

30. UNITED STATES OF AMERICA
BY Pamela J. Yri (SIGNATURE OF CONTRACTING OFFICER)

27. NAME AND TITLE OF SIGNER (TYPE OR PRINT): J. E. Ferguson, Director, Contracts & Pricing
28. DATE SIGNED: 5/22/96 YYMMMDD

31. NAME OF CONTRACTING OFFICER (TYPE OR PRINT): PAMELA J. YRI, Contracting Officer
32. 3

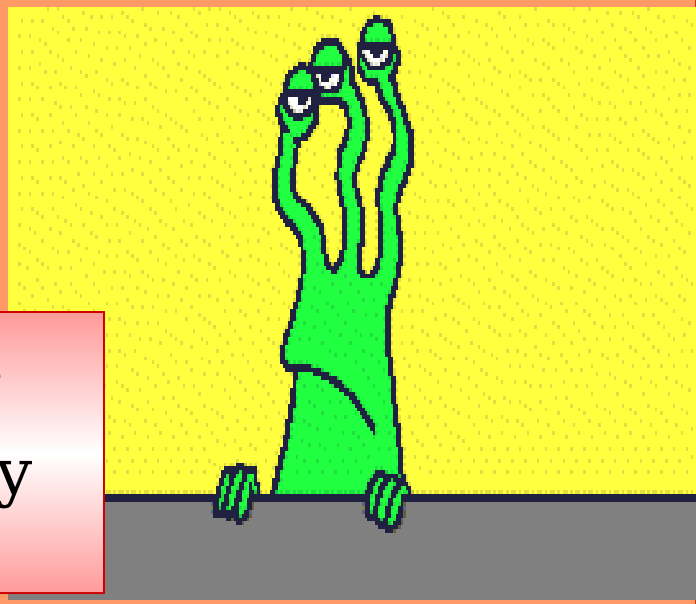
SECTION B EXAMPLE

"LO" means "lot" "EA" means "each"

Item No	Supplies/Services	Quantity	U	Total
0001	CLIN Establish	1	LO	$300,000,000.00

$300,000,000.00
noun: Martian Reconnaissance Vehicle
acrn: AA nsn: N
site codes pqa: S acp: S fob: S
pr/mipr data: GASCYCF-96-00136
type contract: J

0001AA SubCLIN Est
noun: Spare Marti
acrn: AA



"NSP" means "not separately priced"

"Option CLIN" is not purchased until exercised: "Option Exercise"

SECTION F EXAMPLE

0001 Delivery Schedule Establish Delivery Schedule

ship to: U 1 98AUG31

"ASREQ" means "as required"

Descriptive Data will indicate where to find the actual dates.

SECTION G EXAMPLE

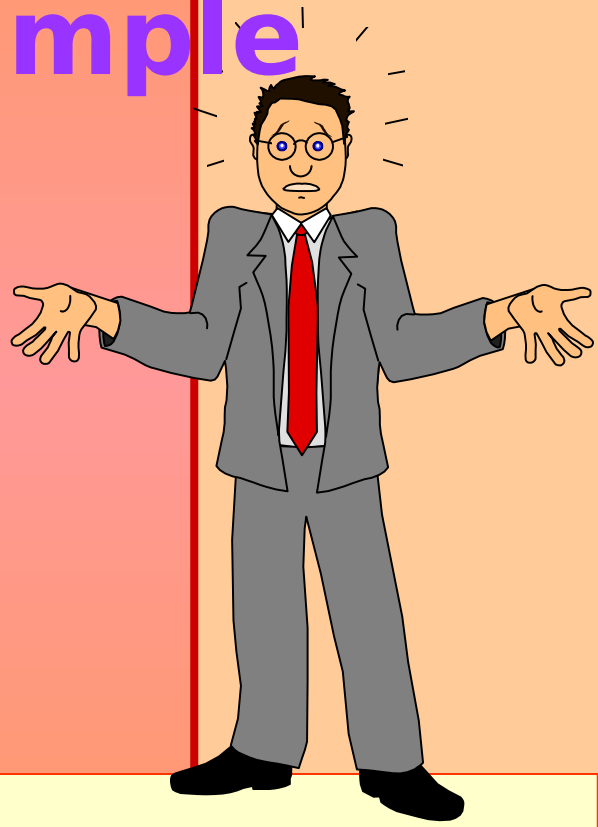
ACRN	Appropriation… Supplemental…		Obligation Amount
AA	5743010	F03000	$144,500,000.00

114 3620 10C17A 010300 00000 41130F 503000

pr/mipr data: GASCYCF-96-00136

exercise-- reading an example

- **Section A**
- **Section B**
  - **CLIN #**
  - **ACRN**
- **Section F**
- **Section G**



How Do the Sections Relate to One Another?

Questions